

## **Eighth Amendment to the Iowa Medicaid Enterprise POS System and POS Operations Contract**

This Eighth Amendment to Contract Number MED-12-001-B, as amended (the "Contract"), between the State of Iowa, Department of Human Services (the "Agency", "Department" or "DHS") and Gould Health Systems, Inc. (the "Contractor") is made pursuant to Section 23.5 of the Contract. This Amendment is effective as of January 1, 2016. This Amendment modifies, to the extent specified below, the terms and conditions of the Contract.

**Section 1: Background.** The parties are amending the Contract to reflect the delay Medicaid modernization, with a new expected "go live" date of March 1, 2016 for implementation of modernization efforts. This amendment accommodates a reduction in scope beginning the month of "go live," and therefore expected in March 2016, and running through the end of the Contract. Any system changes required have been addressed in a separate CMR.

### **Section 2: Amendment to Contract Language**

The Contract is amended as follows:

**Revision 1.** "Attachment C," which was incorporated into the Contract through the Seventh Amendment, is hereby deleted in its entirety.

**Revision 2.** Effective March 1, 2016, RFP Section 8.2.5.1 is amended to read as follows:

The pharmacy POS contractor must staff and operate a provider help desk from 8:00 a.m. through 5:00 p.m. Monday through Friday to provide assistance and information to providers.

- a. Help Desk staff must assist providers with claims submission and ProDUR issues.
- b. Help desk staff must have access to and the ability to perform all POS functions available to pharmacy providers including the ability to override, modify and delete claims, in accordance with the Department policies.

**Revision 3:** Effective March 1, 2016, RFP Section 8.2.10, incorporated into the Contract through the Third Amendment, is hereby amended to read as follows:

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#### **8.2.10 Medicaid Modernization Support**

For the time period of March 1, 2016 through June 30, 2016, Contractor shall provide support of the Medicaid modernization effort underway at the Agency. This effort is expected to "go live" March 1, 2016. If the "go live" date is delayed in whole or in part, the parties agree to work in good faith to identify and address impacts to scope, timing and fees, and execute an amendment to the Contract equitably addressing the impacts.

Transition activities include, but are not limited to the following:

- Contractor shall provide a period of transitional support for pharmacy support to the Agency to acclimate providers and members to the new MCO model. This transitional period shall begin March 2016 and end no later than June 2016.
- Contractor shall supply a basic suite of project management reports to help with the transition.
- Continue to perform, for FFS members, all required Pharmacy POS responsibilities, as outlined in Section 8.2 of the RFP.

#### **Staffing**

- Overall staffing shall be reduced due to the reduction in Pharmacy POS services.

- At a minimum, the Account Manager shall be located on-site at IME permanent facility.
- Contractor shall add permanent staff to support the MCOs with rebate analysis, rebate operations, and accounting.
- Contractor shall add temporary staff during the Design, Development, and Implementation (DDI) phases, as well as through the transition phase, to support rebate operations and rebate analysis.
- Contractor shall provide a period of transitional support for providers and members between 3/1/2016 and 6/1/2016 and staffing shall be adjusted based on the following table:

STAFF POSITION	LOCATION	FULL/TEMP	EXISTING STAFF	10/05/15	11/02/15	04/01/16	06/01/16	NET CHANGE	REMAINING STAFF
Pharmacy Tech	Iowa	Full	5.50	0.00	0.00	-2.00	-1.50	-3.50	2.00
Account Manager	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
Operations Manager	Iowa	Full	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Administrative Assistant	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
Rebate Analyst	Maine	Full	0.00	0.00	1.00	0.00	0.00	1.00	1.00
Rebate Specialist	Maine	Full	3.00	0.00	2.00	0.00	0.00	2.00	5.00
Accounting	Maine	Full	1.00	0.00	1.00	0.00	0.00	1.00	2.00
Rebate Operations Supervisor	Maine	Temp	0.00	0.50	0.00	0.00	-0.50	0.00	0.00
Rebate Analyst	Maine	Temp	0.00	2.50	0.00	0.00	-2.50	0.00	0.00
<b>NET CHANGE</b>	<b>N/A</b>	<b>N/A</b>	<b>11.50</b>	<b>2.50</b>	<b>4.00</b>	<b>-2.00</b>	<b>-4.50</b>	<b>0.50</b>	<b>12.00</b>

**Revision 4:** Section 7.1, Performance Based Contract, is hereby amended by adding the following language at the end of the Section:

Notwithstanding the above, the above Operations Payment obligations shall terminate as of January 1, 2016. Beginning January 1, 2016, Contractor may invoice the Agency for the operational phase of this Contract consistent with the monthly "Revised Monthly Fee" values set forth in the table below:

Month	Previous Monthly Fee	Increase or (Reduction) in Fee	Revised Monthly Fee
January 2016	\$ 184,650.50	-	\$ 184,650.50
February 2016	\$ 184,650.50	-	\$ 184,650.50
March 2016	\$ 184,650.50	(\$ 27,418.66)	\$ 157,231.84
April 2016	\$ 184,650.50	(\$ 27,418.66)	\$ 157,231.84
May 2016	\$ 184,650.50	(\$ 27,418.66)	\$ 157,231.84
June 2016	\$ 184,650.46	(\$ 27,418.66)	\$ 157,231.80
6-Month Total:	<b>\$1,107,902.96</b>	<b>(\$109,674.64)</b>	<b>\$ 998,228.32</b>

Pricing for the remaining optional years is below. Each month's invoice will equal 1/12th of the yearly price.

Fourth Year of Operations (7/1/16-6/30/17)	\$1,392,592.00
Fifth Year of Operations (7/1/17-6/30/18)	\$1,434,369.76
First Option Year (7/1/18-6/30/19)	\$1,477,400.85

Second Option Year	(7/1/19-6/30/20)	\$1,521,722.88
Third Option Year	(7/1/20-6/30/21)	\$1,567,374.56
Fourth Option Year	(7/1/21-6/30/22)	\$1,614,395.80
First Option Month	(7/1/22-7/31/22)	\$ 138,568.97
Second Option Month	(8/1/22-8/31/22)	\$ 138,568.97
Third Option Month	(9/1/22-9/30/22)	\$ 138,568.97

The cut-over schedule outlined by the IME may be challenging for some MCOs to meet. Until all MCOs are fully integrated, the Contractor shall be required to bridge any service gap that may result due to MCOs not being fully ready. The "Revised Monthly Fee" during this period shall not be less than the amount calculated by the following formula as determined by MCO readiness at the first of each operational month until all MCOs are on-boarded.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support Value \* MCOs Ready)

Example: In March, 2 of 3 potential MCOs are ready to go-live March 1.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

MCO Fractional Support Value = (\$184,650.50 - \$157,231.84) / 3 MCOs

MCO Fractional Support Value = \$9,139.55

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support \* MCOs Ready)

Contract Monthly Fee = \$184,650.50 - \$18,279.10

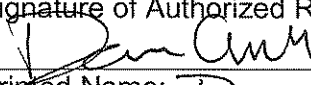
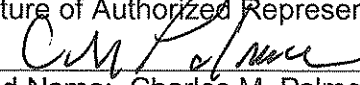
Contract Monthly Fee = \$166,371.40

### Section 3: Ratification and Authorization

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

### Section 4: Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

<b>Goold Health Systems, Inc.</b>	<b>Agency, Iowa Department of Human Services</b>
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name: Denise Geule	Printed Name: Charles M. Palmer
Title: Asst. Secretary	Title: Director
Date: 2/5/16	Date: 2-19-16